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August 1, 2002

Marlene H. Dortch
Commission's Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Subject: Joint Comments of the Arizona Payphone Association, Colorado Payphone Association, Minnesota Independent Payphone Association and Northwest Public Communications Council to Qwest Communications International, Inc.'s Application for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Service in the States of Montana, Utah, Washington and Wyoming
WC Docket No. 02-189

Dear Ms. Dortch:

The Arizona Payphone Association, the Colorado Payphone Association, the Minnesota Independent Payphone Association and the Northwest Public Communications Council (hereinafter collectively referred to as the Associations")[1] submit these joint comments requesting that the Commission reject Qwest's Section 271 application until Qwest complies with its new services test obligations under Section 276 of the Communications Act and the FCC's *New Services Order*. Memorandum Opinion and Order, FCC 02-25, 2002 LEXIS 516 (2002) ("*New Services Order*"). Qwest has a long history of non-compliance with these obligations. Additionally, Qwest virtually admitted in the docket considering Qwest's Section 271 application to serve Colorado, Idaho, Iowa, Nebraska and North Dakota that it has

[1] The Associations are trade associations that represent the interests of non-ILEC payphone service providers ("PSPs"). The Associations' PSP members have payphones in each of the states for which Qwest has sought Section 271 approval in this proceeding. The Associations prepared these comments because their members' interests are directly affected by this proceeding. Moreover, the Associations expect Qwest will not have complied with the requirements of Section 276 when it seeks Section 271 approval in their principal states. The Associations are concerned that if they do not bring their concerns to the Commission now, Qwest may argue that the Commission may not deny the subsequent applications because the facts in those state are no different than the facts in states previously approved.

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no intention of complying with Section 276 and the *New Services Order* in the near future. It is not in the public interest to grant Qwest's Section 271 application when Qwest continues to leverage the benefit of its local exchange market power to benefit its own payphone division and exclude competition in flagrant violation and disregard of the Commission's orders on payphone issues in Docket CC 96-128.

INTRODUCTION

The policy decision by Congress, as expressed in the Federal Telecommunications Act of 1996, is to put it quite simply, a quid pro quo. In exchange for opening their local markets to competition a Regional Bell Operating Company ("RBOC," "BOC," "Baby Bell," or "Bell") is offered the opportunity to enter the interLATA long distance markets, thereby dissolving the primary restriction on the Modification of Final Judgment ("MFJ") put in place by Judge Green in the AT&T antitrust case. The rationale behind the quid pro quo of Section 271 is that if an RBOC has opened its local markets to competition then it will not be in as good a position to use its market power over local exchange access service to provide undue advantage to its long distance affiliate or to discriminate against its long distance competitors.

Qwest's behavior in the payphone markets demonstrate that entry into the interLATA long distance markets is contrary to the public interest at this time. Qwest has consistently sought to stifle competition in the in the market for pay telephones and has failed to, refused to, or delayed complying with FCC orders designed to open these markets to competition and to comply with Section 276 of the Act. Qwest has done precisely in the payphone market what Judge Green prevented with the MFJ, and what Congress has tried to prevent with the entry conditions in Section 271. That is, Qwest has continued to leverage its market power over local exchange service into the somewhat more competitive payphone market. Moreover, the FCC does not need to measure Qwest's discrimination against competitive PSPs by some vague standards. Qwest has, by its own admission, refused to comply with the Commission's specific orders that were intended to open payphone markets and preclude RBOCs from discriminating against its PSP competitors.

The FCC should find that Qwest's applications should be denied as not being "consistent with the public interest, convenience and necessity,"[2] until Qwest has demonstrated to the FCC that it has fully complied with the FCC's outstanding orders regarding filing rates for

[2] 47 U.S.C. §271(d)(3)(C)

pay telephone access lines ("PALs")[3]under the New Services Test at the states[4] and for filing a cost based rate for fraud protection at the federal and state levels.[5]

QWEST'S HISTORY OF NON-COMPLIANCE

Qwest has a long history of delay and non-compliance with the FCC's Orders and the Telecommunications Act of 1996. Whatever excuses it had for non-compliance with the requirements to file new rates for PAL service and fraud protection at the state Commissions[6], since January 31, 2002 there can be no doubt of its obligations. Except for Colorado,[7] Qwest has ignored that requirement or refused to comply in all the states involved in this docket.[8]

The chronology of Qwest's delays and non-compliance starts with passage of 47 U.S.C. § 276 in February, 1996. In September 1996, pursuant to Section 276, the FCC directed RBOCs to eliminate subsidies from their payphone services rates:

> [T]ariffs for payphone services must be filed with the Commission as part of the LECs' access services to ensure that the services are reasonably priced and do not

[3] Qwest provides two types of payphone access lines, "Basic PAL" for use with smart phones and "Smart PAL" which includes central office-provided coin control functionality. Qwest's PAL service is the same as what other RBOCs call "COCOT" or "COPT" service.

[4] *See New Services Order.*

[5] Under the new services test, Qwest must file tariffs for unbundled features like fraud protection, also known as call screening, at both the FCC and state commissions. "Unbundled features and functions provided to others and taken by a LEC's payphone operations . . . must be tariffed in both the intrastate and interstate jurisdictions." Order, 12 FCC Rcd. 20,997 at ¶ 24 (1997) ("*Payphone Features Order*"); *see* Order on Reconsideration, 11 FCC Rcd. 21,233 at ¶ 163 (1996) ("*Order on Reconsideration*"). "[T]he requirement to file federal tariffs applies only to payphone specific, network-based, unbundled features and functions provided to others or taken by a LEC's operations, such as answer supervision and *call screening. . . .*" *Payphone Features Order* at ¶ 18 (*emphasis added*). Qwest originally filed new rates for fraud protection at the FCC. When the staff challenged the reasonableness of the proposed rates, Qwest withdrew the filing and has failed to file proper rates.

[6] *See New Services Order.*

[7] On June 14, 2002 Qwest filed new PAL rates and fraud protection rates in Colorado in response to the threat of a show cause hearing from the Commission. The rates were filed as Advice No. 2922, to be effective July 15, 2002. The transmittal letter notes that it is "in compliance with the directives in the Commission's Decision No. C99-497 and FCC Order No. 02-25." (emphasis added). "FCC Order No. 02-25" is the *New Services Order.*

[8] *See* Letter *of March 25, 2002 from Qwest to Phil Nyegaard at the Oregon Public Utilities Commission.* Exhibit 1.

> include subsidies. . . . [W]e conclude [] that Computer III tariff procedures and pricing are appropriate for basic payphone services provided by LECs to other payphone providers. Pursuant to Section 276(c), any inconsistent state requirements with regard to this matter are preempted.

Report and Order, 11 FCC Rcd. 20,541 at ¶ 141 (*"Report and Order"*).

In its *Order on Reconsideration,* the FCC modified the tariffing requirements somewhat to require that the PAL be filed with the states, and not the FCC:

> We require LECs to file tariffs for the basic payphone services and unbundled functionalities in the intrastate and interstate jurisdictions as discussed below. LECs must file intrastate tariffs for these payphone services and any unbundled features they provide to their own payphone services. The tariffs for these LEC payphone services must be: (1) cost based; (2) consistent with the requirements of Section 276 with regard, for example, to the removal of subsidies from exchange and exchange access services; and (3) nondiscriminatory. States must apply these requirements and the Computer III guidelines for tariffing such intrastate services. [Footnote citing 47 C.F.R. Section 61.49(g)(2), omitted.] States unable to review these tariffs may require the LECs operating in their state to file these tariffs with the Commission. In addition, LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order. [Footnote omitted.] LECs are not required to file tariffs for the basic payphone line for smart and dumb payphones with the Commission. We will rely on the states to ensure that the basic payphone line is tariffed by the LECs in accordance with the requirements of Section 276. As required in the Report and Order, and affirmed herein, all required tariffs, both intrastate and interstate, must be filed no later than January 15, 1997 and must be effective no later that April 15, 1997. Where LECs have already filed intrastate tariffs for these services, states may, after considering the requirements of this order, the Report and Order, and Section 276, conclude: 1) that existing tariffs are consistent with the requirements of the Report and Order as revised herein; and 2) that in such case no further filings are required.

Order on Reconsideration at ¶ 163. Although this paragraph allowed for the possibility that existing rates could be approved, it was only "after the states [considered] the requirements of this order." *Id.* The states are not in a position to do so unless the LEC files cost data. Moreover, the FCC rule cited in this paragraph sets forth detailed requirements for filing cost studies and other information, including work papers.

In January, 1997, Qwest filed revisions to its local tariffs in the states in which it provides local service. The filings accomplished a number of things. From the standpoint of PAL service, the main effect of the filing was to change the name of the existing PAL service to "Basic PAL" and to introduce coinline service as "Smart PAL." Basic PAL service continued at the rates that were in effect prior to the filing, in most cases exceeding the price for 1FB service, Qwest's basic flat-rated business line service. It does not appear that pricing considerations under the new services test for the access line were given much attention by state commissions. These revised filings went into effect without little or no review by the state commissions.

We have no record of what cost support Qwest filed in support of its January, 1997 state commission filings. Qwest generally designates its cost support filing at state commissions as "confidential," thereby denying the Associations access to this cost information unless a contested proceeding arose and a protective order was entered. Based on the few filings made available, we believe that the only cost studies Qwest provided were to establish the relationship between the new Smart PAL tariff and the existing Basic PAL rate. We do not believe that Qwest submitted any data or cost studies to support its overhead loading on either Basic or Smart PAL service because we have never seen such cost studies in any jurisdiction we have examined. This explains the lack of active state commission review of Qwest's PAL and Screening rates in 1997. Nevertheless, under the new services test Qwest was obligated to file and justify its costs and overhead loadings.

After the *Order on Reconsideration* was issued in November 1996, a number of parties to FCC Docket 96-128, including a group called the "RBOC Coalition," which included Qwest, sought further clarification of the tariffing requirements applicable to the RBOCs. The RBOC Coalition argued that the new services test applied only to the unbundled elements of the lines used for "dumb" payphones (Qwest's "Smart PAL"). The FCC rejected the RBOC Coalition's assertion:

> We disagree with the RBOC Coalition regarding the applicability of the federal guidelines for state tariffing of payphone services.

Order, 12 FCC Rcd. 20,997 at ¶¶ 27, 31 (1997) ("*April 4th Waiver Order*").

In response to the *April 4th Waiver Order*, the RBOC Coalition requested a further waiver of the FCC's tariffing requirements as applied to the states so that they could begin to receive payphone dial around compensation beginning on April 15:

> I am writing on behalf of the RBOC payphone coalition to request a limited waiver of the Commission's intrastate tariffing requirements for basic payphone lines and unbundled features and functions, as set forth in the Commission's orders in the above-captioned docket. . .

> As we discussed yesterday, and as I explained in my letter of April 3, 1997, none of us understood the payphone orders to require existing, previously-tariffed intrastate payphone services, such as the COCOT line, to meet the Commission's "new services" test. . . . It was not until the bureau issued its "Clarification Of State Tariffing Requirements" as part of its Order of April 4, 1997, that we learned otherwise.

Letter from Michael K. Kellogg to Mary Beth Richards, Deputy Bureau Chief, CC Docket No. 96-128 (April 10, 1997) (*emphasis added*). Thus, at the time that Qwest filed its Basic and Smart PAL rates in the states, Qwest claimed it did not know that the new services test applied to those tariffs.

In response to the April 10th waiver request of the RBOC coalition, the FCC issued a further waiver order:

> Because some LEC intrastate tariffs for payphone services are not in full compliance with the Commission's guidelines, we grant all LECs a limited waiver until May 19, 1997, to file intrastate tariffs for payphone services consistent with the "new services" test, pursuant to the guidelines established in the Order on Reconsideration, subject to the terms discussed herein. This waiver enables LECs to file intrastate tariffs consistent with the "new services" test of the federal guidelines detailed in the Order On Reconsideration and the Bureau Waiver Order, **including cost support data** within 45 days of the April 4, 1997, release date of the Bureau Waiver Order and remain eligible to receive payphone compensation as of April 15, 1997. . .

Order, 12 FCC Rcd. 21,370 at ¶ 2 (1997) (*emphasis added, footnote omitted*) (*"April 15th Waiver Order"*). Thus, the FCC explicitly required RBOCs who relied on the waiver, which Qwest did, to file "cost support data" with the states. Moreover, Qwest itself, as a member of the RBOC Coalition, acknowledged its obligation to file cost support to show its intrastate line rates complied with the new services test:

> The RBOC coalition concedes that the Commission's payphone orders, as clarified by the Bureau Waiver Order, mandate that the payphone services a LEC tariffs at the state level are subject to the new services test and that the requisite cost-support data must be submitted to the individual states.

Id. at ¶ 18 (*emphasis added*).

We have found no indication that Qwest made ***any*** additional rate or cost study filings that comply with the FCC's new services test methodology with the state commissions after it learned from the *April 4th Waiver Order* that Smart and Basic PAL lines needed to be filed with the states in compliance with the new services test. To our knowledge, Qwest has never justified its overhead loadings for PAL or Fraud Protection services in any state in accordance with the FCC's orders.[9]

Since the 1997 filings there has been little or no activity in most states regarding Qwest's PAL rates. Rates have been litigated in a couple of Qwest states.[10] In those states Qwest has claimed that after the *April 4th Waiver Order* and the *April 15th Waiver Order* it reviewed its PAL rates under its interpretation of the new service test. Qwest appears to have concluded, in all cases, that its rates were in compliance with the new services test and made no further state filings. Where PAL rates mirror business rates, Qwest contended that that justified its overhead loading for PAL service. Qwest asserted that no adjustment to its PAL rates was required to avoid double recovery of the SLC. Nor did Qwest provide cost support data to the state commissions to enable them to fulfill their duty to set cost-based rates for PAL and Screening. In spite of Qwest's failure to provide the required support for it rates it collected and continues to collect dial-around compensation from the long distance carriers.

After the 1997 orders in CC 96-128, collateral litigation began at the FCC over the required methodologies and cost support for PAL rates in Docket CCB/CPD No. 00-1, *In the Matter of Wisconsin Public Service Commission Order Directing Filings*. A final FCC order was issued early this year. *See New Services Order*. A number of LECs, including Qwest, participated in that docket. The FCC used the *New Services Order* to provide definitive guidance to the states and the RBOCs over the contentious issue of how to price PAL and other payphone services. *Id.* at ¶ 68.

In the *New Services Order*, the FCC rejected a number of the contentions that Qwest and other BOCs had been making since 1997 to both the FCC and states. For example, the FCC made it clear that Qwest must provide a justification for its loading methodology as well as any deviation from it. *Id.* at ¶ 52. In response to the argument "that BOCs are free to apply to payphone line service rates whatever mark-up over direct cost is incorporated in the business line rates, even though business line rates may include subsidies for other BOC services," the FCC specifically stated that it "reject[s] the LEC coalition's argument." *Id.* at ¶¶ 55-56. Further, the FCC allowed states to continue to use Unbundled Network Element ("UNE") loading factors to

[9] Colorado may be an exception. On June 14, 2002, Qwest filed substantially reduced PAL and Screening rates in response to a show cause order issued by the Colorado PUC. Qwest's cost support, however, was designated confidential, so the State Payphone Associations cannot confirm if it complies with the new services test.

[10] Including Montana.

evaluate BOCs' overhead allocation for payphone services, and also put a cap on the level of overhead.

Importantly, the FCC rejected the BOCs' argument that it could determine a state-tariffed rate for PAL service under the new services test without regard to the federally-tariffed subscriber line charge ("SLC"):

> Therefore, in establishing its cost-based state-tariffed charge for payphone line service, a BOC must reduce the monthly per line charge determined under the new services test by the amount of the applicable federally tariffed SLC. . . . At whatever point in time the state reviews BOCs' payphone line rates for compliance with the new services test, it must apply an offset for the SLC that is then in effect.

Id. at ¶ 61. Thus, even if Qwest's existing PAL rates were justified under the new services test in 1997, because Qwest has failed to make adjustments equivalent to the SLC, Qwest's rates would be excessive in an amount at least equal to the SLC.

Finally, in the *New Services Order*, the FCC reiterated the BOCs' obligations of filing with the state commissions:

> Consistent with Commission precedent, the BOCs bear the burden of justifying their overhead allocations for payphone services and <u>demonstrating compliance with our standards</u>.

Id. at ¶ 56 (*emphasis added*).

The FCC in the *New Services Order* and its earlier pay telephone orders make it clear that Qwest has the obligation to file PAL rates and Fraud protection rates with the state commissions along with the supporting cost information so the state commissions can determine if the proposed rates are in compliance with Qwest's obligations under 47 U.S.C.§ 276 and the FCC's orders interpreting and applying this section. Qwest has ignored or rejected this obligation in Montana,[11] Utah, Washington and Wyoming.

[11] Qwest's filing in Montana pre-dated the *New Services Order* by several years and did not comply. Qwest has not refiled in Montana since the *New Services Order*.

QWEST HAS VIRTUALLY ADMITTED TO THE FCC THAT IT DOES NOT NOW COMPLY AND HAS NO INTENTION OF COMPLYING WITH SECTION 276 AND THE *NEW SERVICES ORDER*

On July 3, 2002, the Associations filed comments on Qwest's Section 271 application related to Colorado, Idaho, Iowa, Nebraska and North Dakota. The Associations' comments, which were nearly identical to these comments, accused Qwest of failing to comply with the new services test. Qwest's Reply Comments never denied this charge and thus effectively admitted that the Associations were correct. *See* Qwest's Reply Comments (July 29, 2002). For example, Qwest responded that it "believes that its retail PAL rates in the application states are reasonable, and disagrees with the payphone associations' characterization of Qwest's rates and the Commission's order in *Wisconsin Public Service Commission*." Qwest's Reply Comments at n. 83. Of course, Qwest's belief that its rates are "reasonable" has nothing to do with the cost study and methodology requirements of the new services test. Qwest made this irrelevant statement because it realized that it could not truthfully tell this Commission that its rates comply with the new services test. Qwest is simply trying to weasel out of its new services test obligations. The Commission should demand that Qwest clearly state what Qwest believes its duties are under the new services test and demonstrate that it has met those duties before the Commission grants Qwest's application.

Qwest also argued that Qwest's compliance with the new services test is "irrelevant," citing the FCC's Section 271 Order regarding New Jersey for the proposition that "allegations unrelated to the openness of a local telecommunications markets to competition are not a basis for denial or delay under the public interest standard of a Section 271 application." *Qwest Reply Comments* at n. 83. Qwest's interpretation of the Associations' arguments could not be more wrong. In fact, the entire basis of the Associations' comments is that Qwest's disregard of the new services test is fundamentally and directly related to the openness of the local telecommunications market to competition. This is consistent with the express purpose of Section 276 and the new services test, which is "to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public." 47 U.S.C. § 276(b)(1). Accordingly, Section 271 is the natural and obvious context to consider Qwest's obstruction of local payphone competition.

Finally, Qwest ignores nearly all of the legal points and citations made by the Associations in their comments and instead focuses its reply on a single footnote to the Associations' comments. *Qwest Reply Comments* at 90-91. In doing so, Qwest demonstrates that it is unwilling or incapable of rebutting the charge that it has failed to comply with the new services test. Under these circumstances, the Commission would ignore its statutory duties under Section 276 and Section 271 if it approves Qwest's application without requiring compliance with the new services test.

CONCLUSION

In sum, implicit and explicit throughout the FCC's orders over the last five years is the requirement that RBOCs file new PAL rates and fraud protection rates along with supporting cost data with the state commissions. The new and drastically lower rates Qwest filed recently in Colorado, show it is likely Qwest's existing rates in the other states do not comply with the new services test.[12] In the six months since the issuance of the *New Services Order*, except for Colorado, Qwest has made no effort to file rates that comply with the *New Services Order*, and has expressly refused to file such rates in Oregon.

Since Qwest has refused to create a level playing field in the payphone marketplace in contravention of FCC orders, it cannot truly be expected to keep its local markets irreversibly open to competition. Qwest's unlawful and discriminatory conduct toward its payphone competitors demonstrates it is not deserving of entry into long distance markets. The FCC should find that Qwest's applications should be denied as not being "consistent with the public interest, convenience and necessity"[13] until Qwest has fully complied with the FCC's outstanding orders regarding filing rates for pay telephone lines under the New Services Test at the states[14] and for filing a cost based rate for fraud protection at the federal and state levels.

Respectfully submitted this 1st day of August, 2002.

ROSHKA HEYMAN & DEWULF, PLC

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[12] Qwest reduced rates dramatically. PAL rates will go down by over 50%. Screening rates will drop over 90%. *See* Exhibit 2.

[13] 47 U.S.C. § 271(d)(3)(C).

[14] *See New Services Order*.

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EXHIBIT 1

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Donald K. Mason
Regulatory Director - Oregon

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Monday, March 25, 2002

Mr. Phil Nyegaard
Administrator, Telecommunications Division
Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Re: Federal Communications Commission ("FCC") Order FCC 02-25

Dear Phil:

This will acknowledge receipt of your letter of February 25, 2002 and inquiry into what steps Qwest Corporation intends to take to comply with the FCC's recent decision (FCC Order 02-25) concerning public access line ("PAL") rates.

As you are undoubtedly aware, FCC Order 02-25 is just the latest chapter in a long history of FCC determinations guiding the implementation of Section 276 of the Telecommunications Act of 1996. The FCC, in its earliest decisions, established various rules and policies governing the payphone industry, which included, among other things, the so-called "new services" test. Qwest has long viewed itself as complying with the "new services" test as that test was initially understood in 1997. At that time, not only did Qwest (then U S WEST) certify compliance with this test to interexchange carriers, but we filed Advice Letter No. 1668 with this Commission, dated January 15, 1997, per the FCC's directive.

This brings us to today. At this point, from what Qwest can discern, FCC Order 02-25 modifies the "new services" test as it previously existed and appears to be at odds with the FCC's prior treatment of payphone service as a retail service. Qwest is in the process of analyzing its current PAL rates, and the underlying cost studies, to determine compliance with the FCC's most recent pronouncement. At the same time, Qwest is disturbed by several findings in that determination and is participating in an appeal, with other RBOCs, to the District of Columbia Circuit Court of Appeals. Qwest anticipates that the FCC's determination concerning PAL rate overhead allocation will be one issue for appeal. Because of this, Qwest's preference would be to postpone Commission consideration of FCC Order 02-25 until after the appellate court weighs in on FCC Order 02-25. While Qwest is cognizant that the appellate process may take some time, Qwest views this approach as being the most efficient use of the Commission's limited resources until a final determination is rendered. Additionally, given the current appeal by the Northwest Public Communications Council to the Marion County Circuit Court concerning Oregon's PAL rates, ensuring consistency would be in the best interest of all parties.

Please contact me should you have any questions.

D.K. Mason

EXHIBIT 2

ride the light Qwest.

Advice No. 2922

Denver, Colorado
June 14, 2002

The Public Utilities Commission
of the State of Colorado
Logan Tower - Office Level 2
1580 Logan Street
Denver, Colorado 80203

The accompanying tariff sheets, issued by Qwest Corporation are sent to you for filing in compliance with the requirements of the Public Utilities Law.

Colo. Sheet No.	P.U.C. Revision No.	Title of Page	Cancels Colo. Sheet No.	Cancels P.U.C. Revision No.
		Exchange and Network Services Tariff Colorado P.U.C. No. 20		
		Section 5. Exchange Services		
147	3		147	2
148	3		148	2
148.1	Original		-	-
149	1		149	Original
		Colorado P.U.C. No. 20 Price List Section 5. Exchange Services		
47	3		47	2
48	3		48	2
48.1	Original		-	-
49	1		49	Original

The purpose of this Advice Letter is to reduce rates for intrastate payphone services including the Public Access Line (PAL), PAL Usage Rates, Fraud Protection features, and some nonrecurring rates in compliance with the directives in the Commission's Decision No. C99-497 and FCC Order No. 02-25.

Specifically, Qwest is reducing the monthly recurring rates for Basic Public Access Lines (measured, message, and flat), Guestline (measured, message, and flat), Smart Public Access Lines (flat and message), and Fraud Protection features. In addition, PAL Usage Charges (measured and message) are being reduced. Finally, Qwest is reducing the nonrecurring charge for the Fraud Protection features. Qwest is not reducing the nonrecurring charges for the Public Access Lines, as the existing rate is currently below the nonrecurring cost.

Qwest has reviewed the Commission decision and FCC order referenced above, and without prejudice to its pending appeal of FCC Decision No. 02-25, it is making this filing.

Customers will be notified of the rate reductions by direct mail.

It is requested that this filing become effective July 15, 2002. Questions regarding this filing should be directed to Nona Clawson on 303-896-7169.

Kevin R Smith
Colorado Vice President

Attachments

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

D. Rates and Charges (Cont'd)

2. Basic Public Access Lines will be provided at the following rates and charges:

	USOC	MAXIMUM NON-RECURRING CHARGE	MAXIMUM MONTHLY ACCESS RATE	MAXIMUM MONTHLY USAGE RATE
• Measured Full Resale, per line	19Q	$70.00	$12.87 (R)	[1]
• Message Full Resale, per line	1MA	70.00	12.87	[1]
• Flat Full Resale, per line	1FY	70.00	14.93	–
• Measured Guestline, per line	192	70.00	12.99	[1]
• Message Guestline, per line	182	70.00	12.99	[1]
• Flat Guestline, per line	172	70.00	15.05 (R)	–

[1] See 4.a., b. and c., as appropriate. (C)

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS
5.5.7 PUBLIC ACCESS LINE SERVICE
D. Rates and Charges (Cont'd)

3. Smart Public Access Lines will be provided at the following rates and charges:

	USOC	MAXIMUM NON-RECURRING CHARGE	MAXIMUM MONTHLY ACCESS RATE
• Flat, per line			
- Outgoing only	5FO	$70.00	$15.82 (R)
- Two-way	5FP	70.00	15.82
• Message, per line			
- Outgoing only	14C	70.00	13.76
- Two-way	1NH	70.00	13.76 (R)

(M)

(M) Material moved to Page 148.1.

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS
5.5.7 PUBLIC ACCESS LINE SERVICE

D. Rates and Charges (Cont'd)

4. PAL Usage Charges (M)

a. The following Measured usage charges apply for calls placed within the local calling area of the exchanges or zones listed in 5.1.3. Timing of local messages and discount perimeters specified in 5.2.1 apply as appropriate. (C) (C)(M)

	MAXIMUM CHARGE	
• Local Usage Charges		(N)
- First minute or fraction thereof, each call	$0.02	
- Each additional minute or fraction thereof	0.02	

b. Rate Discount and Application Period

TIME PERIOD		MINIMUM DISCOUNT	
• Evening			
- Sunday through Friday	5:00 PM to 11:00 PM	25%	
• Weekend			
- Saturday	8:00 AM to 11:00 PM	50%	
- Sunday	8:00 AM to 5:00 PM	50%	
• Night			
- All days	11:00 PM to 8:00 AM	50%	(N)

c. Message usage charges (T)(M)

	MAXIMUM EACH MESSAGE UNIT	
• Message PAL usage rate	$0.03 (R)	(M)

(M) Material moved from Page 148.

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

D. Rates and Charges (Cont'd)

5. The following nonrecurring charge for change applies:

- To each line when changing from one PAL service to another;
- To telephone number changes, at customer's request;
- For temporary transfer of calls, at customer's request;

	MAXIMUM NONRECURRING CHARGE
• Per activity, per CO Public Access Line changed	$25.00

6. Fraud Protection features will be provided to customers who subscribe to Full Resale Basic PAL Service at the following rates and charges.

	USOC	MAXIMUM NONRECURRING CHARGE	MAXIMUM MONTHLY RATE
• Fraud Protection[1]			
- Incoming, per line	PSESI	–	–
- Outgoing, per line	PSESO	$1.17 (R)	$0.12 (R)
- Incoming and Outgoing, per line	PSESP	1.17 (R)	0.12 (R)

[1] The nonrecurring charge will apply when the Fraud Protection features are provided subsequent to the initial installation of the Basic PAL access line.

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

A. Terms and Conditions

Refer to 5.5.7 of the Exchange and Network Services Tariff for terms, conditions, and application of rates and charges.

B. Rates and Charges

1. Basic Public Access Lines

	USOC	NON-RECURRING CHARGE	MONTHLY ACCESS RATE	MONTHLY USAGE RATE
• Measured Full Resale, per line	19Q	$70.00	$12.87 (R)	[1]
• Message Full Resale, per line	1MA	70.00	12.87	[1]
• Flat Full Resale, per line	1FY	70.00	14.93	–
• Measured Guestline, per line	192	70.00	12.99	[1]
• Message Guestline, per line	182	70.00	12.99	[1]
• Flat Guestline, per line	172	70.00	15.05 (R)	–

[1] See 3.a., b. and c., as appropriate. (C)

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS
5.5.7 PUBLIC ACCESS LINE SERVICE

B. Rates and Charges (Cont'd)

2. Smart Public Access Lines

	USOC	NON-RECURRING CHARGE	MONTHLY ACCESS RATE
• Flat, per line			
- Outgoing only	5FO	$70.00	$15.82 (R)
- Two-way	5FP	70.00	15.82
• Message, per line			
- Outgoing only	14C	70.00	13.76
- Two-way	1NH	70.00	13.76 (R)

(M)

(M) Material moved to Page 48.1.

5. EXCHANGE SERVICES

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS
5.5.7 PUBLIC ACCESS LINE SERVICE

B. Rates and Charges (Cont'd)

3. PAL Usage Charges (M)

a. The following Measured usage charges apply for calls placed within the local calling area of the exchanges or zones listed in 5.1.3. Timing of local messages and discount perimeters specified in 5.2.1 apply as appropriate. (C) (C)(M)

	MAXIMUM CHARGE	
• Local Usage Charges		
- First minute or fraction thereof, each call	$0.02	
- Each additional minute or fraction thereof	0.02	

b. Rate Discount and Application Period

TIME PERIOD		MINIMUM DISCOUNT	
• Evening			
- Sunday through Friday	5:00 PM to 11:00 PM	25%	
• Weekend			
- Saturday	8:00 AM to 11:00 PM	50%	
- Sunday	8:00 AM to 5:00 PM	50%	
• Night			
- All days	11:00 PM to 8:00 AM	50%	(N)

c. Message usage charges (T)(M)

	EACH MESSAGE UNIT	
• Message PAL usage rate	$0.03 (R)	(M)

(M) Material moved from Page 48.

5.5 PUBLIC COMMUNICATIONS SERVICE - COIN AND COINLESS

5.5.7 PUBLIC ACCESS LINE SERVICE

B. Rates and Charges (Cont'd)

4. Nonrecurring Change Charge

	NONRECURRING CHARGE
• Per activity, per CO Public Access Line changed	$25.00

5. Fraud Protection Features

	USOC	NONRECURRING CHARGE	MONTHLY RATE
• Fraud Protection[1]			
- Incoming, per line	PSES1	–	–
- Outgoing, per line	PSESO	$1.17 (R)	$0.12 (R)
- Incoming and Outgoing, per line	PSESP	1.17 (R)	0.12 (R)

[1] The nonrecurring charge will apply when the Fraud Protection features are provided subsequent to the initial installation of the Basic PAL access line.